

**For:** Cotton State and County Offices

**Validating Producer Eligibility for Cotton eLDP's Using Web Subsidiary Service**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Producer eligibility is confirmed at the time a customer profile is created. Since eligibility can change after the customer profile is created, this does **not** ensure that a producer is eligible for benefits at the time an eLDP application is submitted to the National Payment Service (NPS) for payment.

To ensure against erroneous payments, eLDP software has been enhanced to validate producer eligibility at the time eLDP application is submitted for payment.

**B Purpose**

This notice informs State and County Offices of:

- enhancements to eLDP system to validate producer eligibility using the web-based subsidiary files
- how **cotton** eLDP payments will be processed based on eligibility determinations.

**Note:** Information for validating and processing eLDP's for commodities other than cotton can be found in Notice PS-575.

**C Contact**

State Offices shall direct questions about this notice to Julie Floriani by:

- e-mail to **Julie.Floriani@wdc.usda.gov**
- telephone at 202-720-8374.

Disposal Date	Distribution
October 1, 2007	Cotton State Offices; State Offices relay to County Offices

## 2 Web-Based Eligibility Determination

### A Reading Web-Based Subsidiary File Information

The web-based subsidiary service is a system that contains a producer's eligibility information. eLDP system validates producer eligibility at the time:

- a customer profile is established
- an eLDP application is processed according to the following table.

IF applications are submitted by...	THEN eligibility will be validated...
County Office users	after the producer and crop year are selected.
external users	when the application is submitted for payment.

### B Application Processing Based On Producer Eligibility

eLDP software will read the following web-based subsidiary information according to 3-PL, Part 3 to determine a producer's eligibility:

- person eligibility
- actively engaged
- cash rent tenant
- permitted entity
- AD-1026
- conservation compliance
- adjusted gross income
- controlled substance
- delinquent debt
- fraud, including FCIC fraud.

During the **cotton** eLDP application process, when:

- **all** producers or component members of a joint operation are determined to be **eligible**, eLDP application is processed and sent to NPS for payment
- **1 or more** producers or component members of a joint operation are determined to be ineligible, the eLDP application is:
  - not sent to NPS
  - saved for resubmission in some instances.

### 3 Validating Eligibility and Processing Cotton eLDP's

#### A Cotton eLDP's Submitted by County Office Users

For cotton eLDP's processed by **County Office users**, web subsidiary process shall be called after producers and crop year have been selected. Cotton eLDP applications will be processed according to the following table.

IF service is...	AND...	THEN the...
available	all producers or component members of joint operations are eligible	application process will continue.
	1 or more producers or component members of joint operations are ineligible	application process shall end.
unavailable	no determination can be made	<ul style="list-style-type: none"> <li>• process shall continue to allow entry of application</li> <li>• completed application shall be saved</li> <li>• electronic warehouse receipts (EWR's) will be updated to "paid" status</li> <li>• when web service is operational, the saved application will <b>automatically</b> be reprocessed.</li> </ul>

### 3 Validating Eligibility and Processing Cotton eLDP's (Continued)

#### B Cotton eLDP's Submitted by External Users

For eLDP's submitted by **external** customers, web subsidiary process shall be called when the application is submitted for payment. Cotton eLDP applications will be processed according to the following table.

IF service is...	AND...	THEN...
available	all producers or component members of joint operations are eligible	payable will be passed to NPS and Cotton Online Processing System (COPS) will be updated.
	one or more producers, or component members of joint operations, are ineligible	<ul style="list-style-type: none"> <li>payable will <b>not</b> be passed to NPS</li> <li>e-mail will be issued to both producer and County Office advising that producer is currently ineligible and that a completed application has been filed and saved</li> <li>eLDP application will be saved for resubmission (see paragraph 4 for instructions on resubmitting saved applications)</li> <li>COPS will be updated to paid status.</li> </ul>
unavailable	no determination can be made	<ul style="list-style-type: none"> <li>completed application will be saved</li> <li>COPS will update bale records to "paid" status</li> <li>when web service is operational, the saved application will <b>automatically</b> be reprocessed.</li> </ul>

## 4 Resubmitting Cotton eLDP Applications

### A Processing Saved Applications

Cotton eLDP process saves a completed application when:

- payment cannot be made because 1 or more producers are ineligible because of web subsidiary determinations
- web subsidiary service is unavailable.

Saved applications are resubmitted according to the following table.

IF...	THEN application is resubmitted...
web service is unavailable	automatically by eLDP system.
1 or more producers are determined ineligible for payment	manually by County Office.

To resubmit saved applications, County Office users shall:

- re-access applications through eLDP Application Summary Screen, as shown in the following screen
- CLICK “Resubmit”.

<ul style="list-style-type: none"> <li>- Add Load Summary</li> <li>- Add Warehouse Stored</li> <li>- Add Cotton</li> <li>- Inquire</li> <li>- Correct</li> <li>- Delete</li> <li>+ Customer Profile</li> <li>+ Application Reports</li> <li>+ Profile Reports</li> <li>+ Administrative</li> <li>Sign Off The System</li> <li>County LDP Rates</li> <li>USDA Intranet</li> <li>Browser Requirements</li> <li>Contact Us</li> <li>Disclaimer</li> </ul>	<p><b>eLDP APPLICATION SUMMARY:</b></p> <p>File Producer Name: SHORT FARMS - A PARTNERSHIP      File Sequence Number: MVZ55017</p> <p>Crop Year: 2006      eLDP Number: 50120</p> <p>Commodity: COTTON      Class/Variety/Type: Upland</p> <p>Gin Code: 37000      Warehouse Code: 176450</p> <p>Type: Warehouse Stored</p> <p>Date Documents Received: Fri. Sep 29, 2006</p> <p>Disbursement Date / Time: Fri. Sep 29, 2006 04:34 PM</p> <p>Confirmation Number:</p> <p>Confirmation Date / Time: Not Available</p> <p>Total Valid Bales: 1</p> <p>Total Net Weight : 507.00 Lbs.</p> <p>Total Amount: \$46.44</p> <p>Research And Promotion Fee: \$0.23</p> <p>Clerk Fee: \$0.00</p> <p>Total Disbursement Amount: \$46.21</p> <p>eLDP Amount Balance: \$70,263.65</p> <p>eLDP Quantity Balance: 35.00 Lbs.</p> <p>Associated Farm Numbers: 0001985</p> <p>Location:</p>
<p>Resubmit    OK    AA-1 Summary    Application Summary as PDF</p>	

#### **4 Resubmitting Cotton eLDP Applications (Continued)**

##### **A Processing Saved Applications (Continued)**

When resubmitting a saved application, eligibility will be verified using web subsidiary service before payable is forwarded to NPS.

If 1 or more producers are determined to be ineligible and do **not** gain eligible status, the application can be:

- deleted from eLDP system and the “paid” status will be removed from the bale record in COPS
- processed in APSS with a denied market gain.

## 5 Processing Cotton eLDP's With Denied Amounts

### A Issuing Reduced Cotton eLDP payments

In some cases, cotton eLDP payments may be reduced because of payment limitation, permitted entity (PE) factor, or percent of cropland factor (PCF). Cotton eLDP process will:

- issue payments reduced because of PE or PCF reductions
- **not** issue payments reduced because payment limitation has been exceeded.

**Note:** If LDP is denied because of payment limitation, producer can pledge bales for loan.

County Offices shall issue reduced cotton eLDP payments according to the following table.

IF denied market gain because of...	THEN...	User Shall Take 1 of the Following Actions
PE or PCF	a warning statement will appear in red text before application is submitted to NPS	<ul style="list-style-type: none"> <li>• submit payment with denied market gain</li> <li>• cancel the application and end processing.</li> </ul>
insufficient payment limitation	<p>The following message will provide the amount that payment limit is exceeded and the number of bales that must be deleted from the eLDP to reduce the payment to within the available limitation:</p> <p>“Amount for total quantity exceeds the current available amount \$xx,xxx.xx for John Smith. Total quantity cannot exceed XX bales. You are exceeding the amount by \$x,xxx.xx and quantity by XX bales”.</p>	<ul style="list-style-type: none"> <li>• edit bales and recalculate the payment to come within the producer's payment limitation</li> <li>• cancel the application and end processing; bales can be physically divided and new eLDP applications entered.</li> </ul>

**Note:** If application is cancelled, EWR's remain in “pending” status for 1 hour.